



Defense Security Cooperation Agency
NEWS RELEASE

On the web: <http://www.dsca.mil>

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Australia - SM-2 Block IIIA Standard Missiles

On 31 May 2005, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Australia of up to 175 SM-2 Block IIIA Standard missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as \$315 million.

The Government of Australia has requested a possible sale of up to 175 SM-2 Block IIIA Standard missiles, up to 30 Telemetry missiles, up to 2 SM-2 Block IIIA Inert Operational missiles, canisters, containers, spare and repair parts, supply support, personnel training and training equipment; publications and technical data, U.S. Government and contractor technical assistance, and other related elements of logistics support. The estimated cost is \$315 million.

Australia is an important ally in the Western Pacific. The strategic location of this political and economic power significantly contributes to ensuring peace and economic stability in the region. It is vital to the U.S. national interest to assist the Royal Australian Navy (RAN) in modernizing its surface combatant fleet so as to maintain a strong and ready self-defense capability and contribute to an acceptable military balance in the area. This procurement also aids in maintaining the U.S. Navy (USN) production base and will improve interoperability between RAN and USN forces. This proposed sale is consistent with those objectives, and facilitates burden sharing with our allies.

The proposed sale will provide Australia continued anti-aircraft defense capabilities for its Navy. The RAN intends to use the SM-2 missiles on its destroyer class surface ships for self-defense against air and cruise missile threats. Australia, which already has SM-1 Standard missiles in its inventory, will have no difficulty absorbing these SM-2 Standard missiles.

The proposed sale of this equipment and support will not affect the basic military balance in the region.

The principal contractors will be: Raytheon Systems Company of Tucson, Arizona and General Dynamics, Scottsdale, Arizona. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Australia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

This notice of a potential sale is required by law; it does not mean that the sale has been concluded.